

O-103-10

**TRADE MARKS ACT 1994**

**IN THE MATTER OF registration no. 2295213  
in the name of 1-to-Z Limited for the trade mark BUBBLES  
registered in Classes 9, 41 and 44**

**AND IN THE MATTER OF an application for revocation  
no. 83316 in the name of  
O2 HOLDINGS LIMITED**

**APPEAL from the decision of Mr Mike Foley dated 4 September 2009**

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**DECISION**

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1. This is an appeal against a decision of Mr Mike Foley, the Hearing Officer for the Registrar, dated 4 September 2009 (BL O/255/09), in which he ordered the partial revocation on the grounds of non-use of the trade mark BUBBLES, which had been registered for a wide variety of goods in Class 9 and services in Classes 41 and 44. The applicant for revocation, O2 Holdings Ltd ("O2") appeals, seeking an order that the trade mark be revoked in respect of all of the remaining goods and services in the specification.

**Background**

2. 1-to-Z Limited ("the Proprietor") applied to register the trade mark BUBBLES in Classes 9, 41 and 44 on 13 March 2002 and the mark was registered on 22 November 2002. The original specification is set out in Part A of the Schedule to this decision.

3. On 11 August 2008, O2 filed an application under sections 46(1)(a) and 46(1)(b) of the 1994 Act, seeking revocation of the whole registration with effect from 23 November 2007 and 11 August 2008 for non-use.
4. Only the Proprietor filed evidence. Neither party requested a hearing, although O2 filed written submissions.
5. Mr Foley concluded that genuine use had been shown of the trade mark on some but far from all of the goods and services included in the original specification. He directed that the registration should be revoked other than for the goods and services set out in Part B of the Schedule to this decision. He ordered that partial revocation should take effect from the earliest date requested, that is, 23 November 2007.
6. On this appeal, O2 makes two main points. First, it says that the Hearing Officer erred in law in his application of the relevant authorities to the evidence in this case. Secondly, O2 says that in relation to the services in the specification, the Hearing Officer erred in his approach to partial revocation, such that if the registration should be maintained at all, it should be maintained for a narrower specification. There was no cross appeal.

### **Nature of this appeal**

7. There is no dispute between the parties to this appeal as to the nature of the appeal process, which is one of review rather than rehearing. As Ms Anna Carboni pointed out recently in *Sant Ambroeus*, BL O/371/09, 5 November 2009, the task of the Appointed Person hearing an appeal relating to revocation for non-use is easier than that of the Hearing Officer at first instance. At paragraph 3 of her decision, Ms Carboni remarked "While at first instance, the hearing officer has to ask him/herself, "is the evidence sufficient to prove the use claimed?", the question for us in conducting a review of the decision is whether, in finding the evidence sufficient or not (as the case may be) the hearing officer made a material error of principle. A decision does not contain an error of principle merely because it could have been better expressed: *REEF Trade Mark* [2002] EWCA Civ 763, [2003] RPC 5 at [28]-[29]. Further, it is not permissible on appeal to interfere with the hearing officer's

decision merely because one is surprised at the outcome or even would have reached a different decision if considering the matter afresh: *BUD Trade Mark* [2002] EWCA Civ 1534, [2003] RPC 25 at [12] and [53]."

### **The decision below**

8. In this case, the Proprietor claimed that it had made use of the trade mark on all of the goods and services in its specification. In brief, Dr Nunes, the sole director of the Proprietor, explained that he had developed a software product intended to be sold in the form of CD ROMs. The product grew out of his own research into the distribution of speech errors in young children, and was designed to entertain, educate and provide speech therapy. Dr Nunes identified 3 sales of the product, and also explained that promotion of the BUBBLES goods and services had been undertaken through personal demonstrations to 'persons of influence' as well as members of the public; he identified a number of such demonstrations which he had carried out. Dr Nunes said that further promotion of the product and services was done via the Proprietor's website, which was registered in 1999 and redeveloped in 2003. He identified and exhibited particular pages from the website which he said related to the promotion of the goods or services. Three other witnesses gave evidence respectively of (a) further demonstrations of the product, (b) development of the website in 2003, and (c) attendance at a demonstration of the product and access to the website by a potential purchaser.
  
9. The Proprietor's evidence was considered in detail by the Hearing Officer at paragraphs 29 to 42 of the decision, in the light of the guidance of the ECJ in *Ansul BV v Ajax Brandbeveiliging BV* Case C-40/01, [2003] E.C.R. I-2439; [2003] R.P.C. 40 and *Laboratoire de la Mer* [2006] F.S.R. 5 as to the principles to be applied in deciding whether there has been genuine use made of a mark. Mr Foley noted that certain of the activities relied upon by the Proprietor were not clearly shown to have been made within the relevant periods. However, he found that there was some clear evidence of use "with a view to creating or preserving an outlet for goods or services already marketed, or at the very least, about to be marketed to secure customers" (paragraph 35) and some evidence of sales and meetings in the relevant period (paragraphs 36-7). Nevertheless, it was clear that the product had met with little commercial success. Mr Foley considered that this must be seen in the context

of the Bubbles product not being something that could be termed "mass market" (paragraph 42). He concluded at paragraph 43

"the evidence is thin, but ... use does not have to be quantitatively significant for it to be deemed genuine. It is use on the market that created an outlet for the BUBBLES goods or services, or at the very least was paving the way to secure sales. The manner of use seems likely to have established a link between the proprietor, its mark and the goods and services sold under it. In my view the proprietor's use of BUBBLES satisfies the requirements for it to be considered genuine within the meaning of the law."

10. Mr Foley went on, however, to say that it was equally clear that the use made of the Mark by the Proprietor "goes nowhere near to the full extent of the specifications for which BUBBLES has been registered" (paragraph 44) and he went on to consider what would be a fair specification in the light of the guidance of the Court of Appeal in *Thomson Holidays Ltd v Norwegian Cruise Lines Limited* [2003] R.P.C. 32, Jacob J in *Animal trade mark* [2004] F.S.R. 19 and the CFI in *Reckitt Benckiser (España) SL v OHIM*, Case T-216/03 [2005] E.C.R. II-2861; [2006] E.T.M.R. 50.
11. In paragraph 48 Mr Foley concluded that "the goods for which the trade mark has been used can be described as computer software for the education of children in language and speech through the use of multimedia games, music and interactive activities." He considered that the term "computer software" in the Proprietor's original specification went far wider than was justified by such use and arrived at the specification for Class 9 of "Educational computer software for use in, or relating to speech therapy."
12. He went on to consider the use of the mark on the website and the extent to which this showed use of it, as claimed, "to promote speech and language educational services, children's entertainment services and speech therapy services and online games." He took the view that the evidence did not prove use to the full extent claimed, but did show use in respect of certain services in class 41 and 44 where the services related to speech and language therapy. He concluded that the registration should accordingly be revoked in part in those classes also. The amended

specification which reflects his view of the use made of the mark is set out in Part B of the Schedule to this decision.

### **The appeal**

13. There are two aspects to the appeal. In essence, O2 argued that there was insufficient evidence of use of the mark in relation to all of the goods and services to save it from revocation for non-use. Alternatively, it said that the Hearing Officer had in effect been overly generous in his analysis of the extent of partial revocation in relation to the services in Classes 41 and 44.

#### *Was the use sufficient in relation to the Class 9 goods?*

14. O2 said that the "high point" of the Proprietor's evidence of use of the Bubbles mark was that it had been used on the software product, but only a maximum of five units had been shown to have been sold at around £50 per unit. There had been some demonstrations of the product and some meetings with potential customers and a potential distributor, at which a leaflet was distributed. Similarly, although the mark was used on the website which promoted the product, the evidence only proved that one UK customer had accessed the site in all the years it had been operative. In those circumstances, O2 argued that the Hearing Officer should have analysed the evidence before him not only to see whether there was use, but also to see whether such use was sufficient to maintain or create a share in the relevant market. It argued that for a product of this sort, which might be used on a mass market basis by all children and which might be attractive to all parents looking for software beneficial to child development, the level of use was simply inadequate and could not be seen as sufficient to create or maintain a share in the market for the products.
15. For the first of these points, O2 relied upon the decision of the European Court of Justice in *Ansul*. In that case, in particular, the Court held at paragraph 37 that genuine use of a mark for the purposes of revocation
- "entails use of the mark on the market for the goods or services protected by that mark and not just internal use by the undertaking concerned... Use of the mark must therefore relate to goods or services already marketed or about to be marketed and for which preparations by the undertaking to secure customers are under way, particularly in the form of advertising campaigns."

In paragraph 38 it continued:

"when assessing whether there has been genuine use of the trade Mark, regard must be had to all the facts and circumstances relevant to establishing whether the commercial exploitation of the Mark is real, in particular whether such use is viewed as warranted in the economic sector concerned to maintain or create a share in the market in the goods or services protected by the mark."

Lastly, in paragraph 39 the Court said:

"Use of the mark need not ... be quantitatively significant for it to be deemed genuine, as that depends on the characteristics of the goods or service concerned on the corresponding market."

16. The possibility of establishing genuine use even where the use of the mark is not "quantitatively significant" was reiterated by the ECJ in *La Mer Technology Inc v Laboratoires Goemar SA* Case C-259/02, [2004] E.C.R. I-1159; [2004] F.S.R. 38, at §21 and 25, where it said that there was no threshold or *de minimis* test as to whether use is genuine. In *La Mer*, the proprietor had been able to establish only about £800 worth of sales of its cosmetics products to its UK agent. Following the ECJ's Order, the Court of Appeal held that such use amounted to genuine use, and saved the mark from revocation. Neuberger LJ in particular rejected an argument that the effect of *Ansul* was that use is not genuine if it is insignificant in the context of the relevant market, he said at paragraph 43 that "minimal" use will not itself disqualify the use from being "genuine." Neuberger LJ was reluctant to impose a requirement of significance or substantiality because it would lead to potentially difficult and expensive arguments over whether the requirement is satisfied in any particular case (see paragraph 46). He added at paragraph 48

"the more limited the use of the mark in terms of the person or persons to whom it is communicated, the more doubtful any tribunal may be as to whether the use is genuine as opposed to token. However, once the mark is communicated to a third party in such a way as can be said to be "consistent with the essential function of a trade mark" ... genuine use for the purpose of the Directive will be established."

17. The combined effect of those cases, and a number of subsequent decisions of the European Court of Justice and the CFI, has recently been helpfully summarised by

Ms Anna Carboni in *Sant Ambroeus (supra)*. In that case, the goods were confectionery, sweets, cakes etc in Class 30, but only a single supply of goods had been identified by the Hearing Officer. Ms Carboni said at paragraph 62:

"I reject [the] submission that, once the proprietor has established a single commercial transaction during the five year period, genuine use must be found. That is not what the ECJ has taught us. It may be sufficient to establish genuine use, but whether it is in any particular case depends on all the facts and circumstances. The reliance on *Laboratoire de la Mer* (CA) does not help. There, the relevant market was for perfumes and cosmetics containing marine products - i.e. a relatively specialised market, even though the products themselves can still be described as "everyday"; there were five separate orders and deliveries, and there was evidence about how plans were underway to on-sell the goods ... The proprietor was attempting to create market share and therefore the actual use, although very small in quantity, was held (just) to be sufficient. If that decision is being relied on by UK practitioners to assert that all a proprietor needs to do is to produce evidence of a single commercial transaction during the five year period, ... then my view they are wrong to do so. The Court of Appeal did not suggest that this would be sufficient."

On a proper analysis, in her view, the Hearing Officer in that case had wrongly excluded evidence of further small-scale sales of goods and of some advertising materials. In the circumstances, she found at paragraph 88:

"Although the relevant market is very large, there are many small traders within it, and the collective evidence does support the case that the proprietor's use was real commercial use aimed at creating market share whereby the Mark would be understood by consumers as a badge of origin. The amount of use was small, but not *de minimis* or token."

18. In my judgment, O2's argument that the relevant market in this case is a mass market fails to give adequate consideration to the fact that the wide range of goods in Class 9 even in the original specification was qualified by the words "all the aforesaid goods for use in, or relating to speech therapy." In my view this reduces the size of the relevant market so that the Hearing Officer's view, expressed at paragraph 42 of his decision, that the goods were not properly seen as mass market goods, was necessarily incorrect. Putting the BUBBLES software into that

more specialised economic context, I am not persuaded that the Hearing Officer erred in his analysis of the facts in respect of the Class 9 goods. In the circumstances, I reject the appeal in that respect.

*Was the use sufficient on the services in Classes 41 and 44?*

19. The position in relation to the wide ranging services in the specification requires separate analysis. At paragraph 43 of his decision, the Hearing Officer concluded that the Proprietor had established genuine use of its mark on the BUBBLES goods or services but not upon the full range of the original specification. He therefore sought to arrive at a specification fairly reflecting such use. So, at paragraphs 50-51 he said:

“50. The proprietors have used the BUBBLES mark via their website, according to Quang Huy Dinh, to promote speech and language educational services, children’s entertainment services and speech therapy services and online games. The evidence does not show use to this extent, but in any event the specification in Class 41 (in which this service would fall) has a similar limitation attached to the specification restricting the services to being related to speech therapy. On this basis I consider the following specification would, in my view, accurately and adequately reflect the use made of the BUBBLES in respect of services in Class 41: “speech therapy services; organisation of meetings, seminars, lectures and forums; education and entertainment services in the form of electronic, computer and video games provided by means of the Internet and other remote communications device; Internet games (non downloadable); organising of games; provision of interactive entertainment software services; all relating to speech therapy and speech and language matters; educational services relating to speech therapy and speech and language matters; teaching services relating to speech therapy and speech and language matters.”

51. Class 41 covers speech and language therapy services that are for educational purposes. Where the therapy is a remedy, for example, to a medical or psychological disorder, this places the service in Class 44. This would be the case even if the service is provided online. In respect of Class 44 I consider the following to be an appropriate reflection of the use made: Speech therapy services; remedial tuition in speech; training services relating to speech; therapy services in relation to speech and language matters.”

20. The Hearing Officer did not, therefore, accept the evidence of the Proprietor's web designer as to the scope of the Proprietor's use of the mark on services. However, he neither set out his own analysis of the services offered by the Proprietor as demonstrated by the evidence supplied, nor explained how he came to the conclusion that the evidence established use in relation to particular services.
21. O2 argued that the Proprietor's evidence did not establish use of the mark upon any such services and that Mr Foley made a 'clear factual error' in his assessment of the evidence in that regard. It claimed that all of the pages from the website exhibited by the Proprietor promoted the BUBBLES software product (as the Hearing Officer's summary showed, at paragraph 32 of his decision) and did not relate to the provision of any services. O2 also pointed out that although the web site had been accessible in the UK in the relevant period, the Proprietor produced no evidence that it had been used to provide services to anyone. The Proprietor exhibited a number of pages from the site, and a single customer, Mrs Dermendzhieva, gave evidence that she and her son had explored the website and found it useful. Whilst the Hearing Officer said at paragraph 31 of his decision that Mrs Dermendzhieva's evidence was that she had 'explored the multimedia games, music and other interactive activities on the website' that is not an altogether accurate summary. She said she had been told that the multimedia games etc on the website might assist her son to learn English, and said that they had 'explored' the site. She did not say how far they had explored it nor indicate that they had used any services provided by the Proprietor.
22. At the hearing of the appeal, counsel for the Proprietor accepted that the only evidence of use of the mark in relation to services was in terms of any services provided through the website. Indeed, in my view there was no evidence of the actual provision or supply of any services whatsoever through the website or otherwise, and no other evidence of any plans or their capacity to offer such services in terms of staff or other resources, nor was there evidence of any marketing or promotion of such services.
23. At the hearing of the appeal, Mr Alkin on behalf of the Proprietor accepted that the evidence did not establish that the mark had been used upon certain of the services

which Mr Foley was prepared to maintain in the specification. For instance, he conceded that the Proprietor had not shown use of the mark in relation to “therapy services in relation to speech and language matters” in Class 44.

24. Those concessions seem to me to have been rightly made. They indicate that the Hearing Officer fell into error in this respect. In my judgment, that error, together with the Hearing Officer’s failure to give reasons for his decision not to revoke the mark for certain types of services, was material to his decision and I should reconsider the evidence on this point.
25. Dr Nunes exhibited a number of printouts of pages from the website. His exhibit AN1 showed a page of the website which allowed the internet user to try out the BUBBLES software. It was common ground that this page promoted sales of the software. However, Mr Alkin submitted that it also amounted to the provision of an on-line game service via the website; he sought to persuade me that this amounted to the provision by the Proprietor via its website of a service in its own right, justifying the Hearing Officer’s decision to maintain the specification in Class 41 for “education and entertainment services in the form of electronic, computer and video games provided by means of the Internet and other remote communications device” or “Internet games (non-downloadable)”.
26. At the hearing of the appeal, I invited the parties (if they wished to do so) to provide me with additional submissions as to any possible impact upon the matter of the decision of the ECJ in *Silberquelle GmbH v Maselli-Strickmode GmbH*, Case C-495/07, 12 Jan 2009, [2009] E.C.R. I-137; [2009] E.T.M.R. 28. I am grateful to both parties for the submissions they provided to me. In *Silberquelle*, a mark had been registered for clothing in Class 25 and for non-alcoholic drinks in Class 32. The registration in Class 32 was challenged for non-use, and the proprietor sought to rely upon use of the mark upon several thousand bottles of alcohol-free drinks given as promotional gifts with clothing sold under the mark. It had made no separate use of the mark for drinks. The ECJ held that where the proprietor of a mark affixes that mark to items that it gives, free of charge, to purchasers of its goods, it does not make genuine use of that mark in respect of the Class covering those items (i.e. the drinks) because the

latter are not distributed with the aim of penetrating the market for goods in that Class (i.e. the drinks in Class 32).

27. It seems to me that the pages from the Proprietor's website copied in AN1 did no more than provide potential purchasers of the BUBBLES software with an opportunity to sample various 'fun activities' on-line, as a promotional tool for the sale of copies of the program. It does not seem to me that those pages promoted or provided any 'free-standing' services, still less that they were designed by the Proprietor as a mode of maintaining or creating a share in the market in such services. Even if the on-line games offered by the Proprietor might have competed with on-line games services offered by other traders, as Mr Alkin suggested, in my judgment that does not mean that any such use of the mark amounted to genuine use for such services, in particular in the light of *Silberquelle*. There is no suggestion at all in the evidence that the Proprietor wished or intended to create a market for the service of providing on-line games, as opposed to a market for the BUBBLES software.
28. Exhibits AN3 and 5 to Dr Nunes' witness statement were said to show the provision of an after-sales service for users of the BUBBLES software. The Proprietor submitted that this was also a free-standing service, reflected within the specification as "organising of games, provision of interactive entertainment software services." It was in addition argued that it amounted to the provision of a service for speech therapists using the software, as "speech therapy services ... educational services relating to speech therapy and speech and language matters; teaching services relating to speech therapy and speech and language matters" in Class 41 and "speech therapy services ... training services relating to speech;" in Class 44.
29. I do not accept that the website can properly be described as offering any such service. Again, in my view, the content of the web pages offered essentially a user's guide to the BUBBLES software. The page at AN5 was described as a page for users "designed to be read offline – print to read at your leisure;" the page contained "plans for activities with *Bubbles*" with explanations of how to use features of the software. This was not a free-standing service, or indeed any service at all. Moreover, I do not think that it could properly be described as providing speech

therapy services or educational, teaching or training services relating to speech therapy.

30. Furthermore, the evidence as to the contents of the website does not seem to me to be sufficient to show that genuine use was made of the mark in relation to the claimed services during the relevant periods, in the absence of evidence of any efforts made to optimise or advertise the site, or of visitor numbers and/or evidence of use of the site by actual or potential customers. There was no evidence that the facilities on the website had been promoted in any way, nor that anyone at all had ever used the on-line 'services.' I have commented above on Mrs Dermendzhieva's evidence; this does not in my view prove either that she and her son had tried the BUBBLES activities on-line, or that they used or even become aware of any services offered on the site. In the circumstances, I am not persuaded that this single visit to the site could be said to be adequate to prove genuine use of the type discussed above.
31. Lastly, the Proprietor argued that the exhibits showed a link on the site to a discussion forum, which proved use of the mark in relation to "organisation of meetings, seminars, lectures and forums." The existence of such a forum organised by the proprietor might have amounted to the provision of such a service. However, it seems to me that the Proprietor's evidence did not provide adequate proof either that such a forum existed (only the existence of the link was shown) nor was there any evidence that it had been accessed or used by the public at any relevant time. It does not seem to me that the evidence was sufficient to show use of the mark to 'create or maintain a market for 'organisation of ... forums.'
32. For all these reasons, in my judgment, there is substance in O2's criticism that the Hearing Officer was unjustified in finding that there had been genuine use of the Bubbles mark during the relevant periods upon any of the services for which it was registered in Classes 41 and 44. I would therefore revoke the registration for all of the services in Class 41 and 44 with effect from 23 November 2007, and to that extent the appeal succeeds.

33. The appeal has succeeded in relation to the services in the amended specification, but failed in relation to the goods within it. As each party has had some measure of success, it seems to me that it would be appropriate in this case to make no order as to the costs of the appeal. Equally, I see no reason to vary the order as to costs made below.

Amanda Michaels  
25<sup>th</sup> March 2010

Mr Julius Stobbs of Ipulse appeared for the Appellant, 02.

Mr Tom Alkin instructed by Messrs Briffa appeared for the Respondent Proprietor

## SCHEDULE

### A. Original specification:

**Class 09** Computers; computer hardware; computer software; educational computer software; electronic educational apparatus; electronic games apparatus; computer games, video games; telecommunications apparatus; apparatus for recording, transmission or reproduction of sound or images; computer programmes; computer software downloaded or downloadable via the Internet; computer software publications downloaded via the Internet; interactive entertainment software; interactive business software; interactive database software; data recorded electronically from the Internet; data recorded in machine readable form from the Internet; apparatus and instruments for recording, reproducing and/or transmitting sound and/or video information; sound and/or video recordings; sound and/or video recording media; CD ROM; virtual reality systems; scientific, nautical, surveying, photographic, cinematographic, optical, signalling, checking (supervision), life-saving and teaching apparatus and instruments; data-processing equipment and computers; magnetic data carriers, recording discs; parts and fittings for the aforesaid goods; all the aforesaid goods for use in, or relating to speech therapy; but not including encoded telephone cards.

**Class 41** Education services; language teaching; providing of training; entertainment services; sporting and cultural activities; organisation of meetings, seminars, lectures and forums relating to speech therapy and speech and language matters; educational services relating to speech therapy and speech and language matters; teaching services relating to speech therapy and speech and language

matters; education and entertainment services in the form of electronic, computer and video games provided by means of the Internet and other remote communications device; Internet games (non downloadable); organising of games; provision of interactive entertainment software services; education and entertainment services in the form of cinematographic, televisual, digital and motion picture films, radio and television programmes and shows and for the provision of information by computer networks, television, cable and other electronic means; preparation, editing and production of cinematographic, televisual, digital and motion picture films, radio and television programmes all included in Class 41; all the aforesaid services relating to speech therapy.

**Class 44** Speech therapy services; physical therapy services; mental therapy services; behavioural therapy services; services for the cognitive therapy of people; remedial tuition in speech; training services relating to speech; therapy services in relation to speech and language matters; therapy services in relation to behavioural matters; therapy services in relation to the health and wellbeing of people; but not including bubble therapy.

#### **B. Specification as amended by the Hearing Officer**

**Class 9:** Educational computer software for use in, or relating to speech therapy.

**Class 41** Speech therapy services; organisation of meetings, seminars, lectures and forums; education and entertainment services in the form of electronic, computer and video games provided by means of the Internet and other remote communications device; Internet games (non downloadable); organising of games; provision of interactive entertainment software services; all relating to speech therapy and speech and language matters; educational services relating to speech therapy and speech and language matters; teaching services relating to speech therapy and speech and language matters.

**Class 44** Speech therapy services; remedial tuition in speech; training services relating to speech; therapy services in relation to speech and language matters.